

Fill in this information to identify the case:	
Debtor Name	Free Speech Systems LLC
United States Bankruptcy Court for the:	Southern District of Texas <input checked="" type="checkbox"/>
Case number:	22-60043

Check if this is an amended filing

Official Form 425C

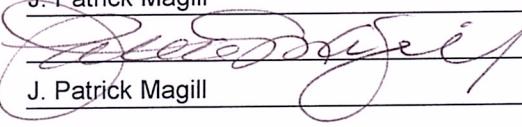
Monthly Operating Report for Small Business Under Chapter 11

12/17

Month:	July 2022	Date report filed:	12/16/2022 MM / DD / YYYY
Line of business:	Dietary Supplement Sales	NAISC code:	325411

In accordance with title 28, section 1746, of the United States Code, I declare under penalty of perjury that I have examined the following small business monthly operating report and the accompanying attachments and, to the best of my knowledge, these documents are true, correct, and complete.

Responsible party: J. Patrick Magill

Original signature of responsible party 

Printed name of responsible party J. Patrick Magill

1. Questionnaire

Answer all questions on behalf of the debtor for the period covered by this report, unless otherwise indicated.

Yes	No	N/A
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If you answer **No** to any of the questions in lines 1-9, attach an explanation and label it *Exhibit A*.

- Did the business operate during the entire reporting period?
- Do you plan to continue to operate the business next month?
- Have you paid all of your bills on time?
- Did you pay your employees on time?
- Have you deposited all the receipts for your business into debtor in possession (DIP) accounts?
- Have you timely filed your tax returns and paid all of your taxes?
- Have you timely filed all other required government filings?
- Are you current on your quarterly fee payments to the U.S. Trustee or Bankruptcy Administrator?
- Have you timely paid all of your insurance premiums?

If you answer **Yes** to any of the questions in lines 10-18, attach an explanation and label it *Exhibit B*.

- Do you have any bank accounts open other than the DIP accounts?
- Have you sold any assets other than inventory?
- Have you sold or transferred any assets or provided services to anyone related to the DIP in any way? ** NOTE 1**
- Did any insurance company cancel your policy?
- Did you have any unusual or significant unanticipated expenses?
- Have you borrowed money from anyone or has anyone made any payments on your behalf?
- Has anyone made an investment in your business?

Debtor Name _____

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17. Have you paid any bills you owed before you filed bankruptcy?

18. Have you allowed any checks to clear the bank that were issued before you filed bankruptcy?

** NOTE 1 ** We provide consignment sales services to PQPR

2. Summary of Cash Activity for All Accounts

19. Total opening balance of all accounts

This amount must equal what you reported as the cash on hand at the end of the month in the previous month. If this is your first report, report the total cash on hand as of the date of the filing of this case.

\$ _____

20. Total cash receipts

Attach a listing of all cash received for the month and label it *Exhibit C*. Include all cash received even if you have not deposited it at the bank, collections on receivables, credit card deposits, cash received from other parties, or loans, gifts, or payments made by other parties on your behalf. Do not attach bank statements in lieu of *Exhibit C*.

Report the total from *Exhibit C* here.

\$ _____

21. Total cash disbursements

Attach a listing of all payments you made in the month and label it *Exhibit D*. List the date paid, payee, purpose, and amount. Include all cash payments, debit card transactions, checks issued even if they have not cleared the bank, outstanding checks issued before the bankruptcy was filed that were allowed to clear this month, and payments made by other parties on your behalf. Do not attach bank statements in lieu of *Exhibit D*.

- \$ _____

Report the total from *Exhibit D* here.

22. Net cash flow

Subtract line 21 from line 20 and report the result here.

+ \$ _____

This amount may be different from what you may have calculated as *net profit*.

23. Cash on hand at the end of the month

Add line 22 + line 19. Report the result here.

= \$ _____

Report this figure as the *cash on hand at the beginning of the month* on your next operating report.

This amount may not match your bank account balance because you may have outstanding checks that have not cleared the bank or deposits in transit.

3. Unpaid Bills

Attach a list of all debts (including taxes) which you have incurred since the date you filed bankruptcy but have not paid. Label it *Exhibit E*. Include the date the debt was incurred, who is owed the money, the purpose of the debt, and when the debt is due. Report the total from *Exhibit E* here.

24. Total payables

\$ _____

(Exhibit E)

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4. Money Owed to You

Attach a list of all amounts owed to you by your customers for work you have done or merchandise you have sold. Include amounts owed to you both before, and after you filed bankruptcy. Label it *Exhibit F*. Identify who owes you money, how much is owed, and when payment is due. Report the total from *Exhibit F* here.

25. **Total receivables** \$ _____

(Exhibit F)

5. Employees

26. What was the number of employees when the case was filed? _____

27. What is the number of employees as of the date of this monthly report? _____

6. Professional Fees

28. How much have you paid this month in professional fees related to this bankruptcy case? \$ _____

29. How much have you paid in professional fees related to this bankruptcy case since the case was filed? \$ _____

30. How much have you paid this month in other professional fees? \$ _____

31. How much have you paid in total other professional fees since filing the case? \$ _____

7. Projections

Compare your actual cash receipts and disbursements to what you projected in the previous month. Projected figures in the first month should match those provided at the initial debtor interview, if any.

	<i>Column A</i> Projected	<i>Column B</i> Actual	<i>Column C</i> Difference
	Copy lines 35-37 from the previous month's report.	Copy lines 20-22 of this report.	Subtract Column B from Column A.
32. Cash receipts	\$ _____	\$ _____	= \$ _____
33. Cash disbursements	\$ _____	\$ _____	= \$ _____
34. Net cash flow	\$ _____	\$ _____	= \$ _____
35. Total projected cash receipts for the next month:			\$ _____
36. Total projected cash disbursements for the next month:			- \$ _____
37. Total projected net cash flow for the next month:			= \$ _____

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8. Additional Information

If available, check the box to the left and attach copies of the following documents.

- 38. Bank statements for each open account (redact all but the last 4 digits of account numbers).
- 39. Bank reconciliation reports for each account.
- 40. Financial reports such as an income statement (profit & loss) and/or balance sheet.
- 41. Budget, projection, or forecast reports.
- 42. Project, job costing, or work-in-progress reports.



	AXOS Deposits # 78877	AXOS Operating # 78919	AXOS Donations # 78885	AXOS Payroll # 78927	AXOS Infowars # 78893	AXOS Legal # 78901	SEC BANK Operations #8514	SEC BANK Donations #8746	SEC BANK Payroll #8522	SEC BANK InfoWars #8621	SEC BANK Deposits #8563	TOTAL All Accounts
July 29 to July 31												
Opening Balance	-	-	-	-	-	-	832,158.02	510.00	70,613.73	4,998.39	115,418.75	1,023,698.89
Cash Receipts	-	-	-	-	-	-	250,000.00	-	-	-	119,016.52	369,016.52
Cash Disbursements	-	-	-	-	-	-	(104,336.51)	-	-	-	-	(104,336.51)
Net Cash Flow	-	-	-	-	-	-	145,663.49	-	-	-	119,016.52	264,680.01
Transfers In	-	-	-	-	-	-	191,558.35	-	1,000.00	-	-	192,558.35
Transfers Out	-	-	-	-	-	-	(1,000.00)	(510.00)	(70,613.73)	(4,998.39)	(115,436.23)	(192,558.35)
Cash on Hand	=	=	=	=	=	=	1,168,379.86	-	1,000.00	-	118,999.04	1,288,378.90

**FORM 425C Exhibit E****Total Payables**

For various reasons, Free Speech Systems LLC has not kept its books on the accrual basis of accounting and as a result there is not a traditional accounts payable list available at this time. Free Speech Systems has kept books on the cash basis and virtually all bills are paid via ACH. We are including the invoices / bills paid / checks cleared from the 1st to the 15th of the following month as a reasonable estimate of our payables at the date of the report.

As of July 31, 2022

Vendor	Amount	Due Date
Norm Patis	50,000.00	8/1/2022
American Express	264,811.80	8/1/2022
Check # 11822	1,386.07	8/1/2022
Check # 11833	1,685.00	8/1/2022
City of Austin	541.06	8/2/2022
City of Austin	905.02	8/2/2022
City of Austin	1,400.53	8/2/2022
City of Austin	3,686.07	8/2/2022
E Commerce CDN	27,270.00	8/2/2022
Check # 11701	1,500.00	8/3/2022
Check # 11730	1,500.00	8/3/2022
Check # 11779	1,500.00	8/3/2022
Blue Ascension	100,000.00	8/9/2022
ADP - Payroll	132,940.39	8/9/2022
Blue Ascension	114,418.19	8/10/2022
ACH Batch - Operations	88,758.84	8/12/2022
<u>792,302.97</u>		

**FORM 425C Exhibit F****Total Receivables**

Free Speech Systems LLC does not have traditional receivables from our customers. Virtually all our transactions happen via our on-line store and aggregated by our third party credit card processor. There is a lag between the transaction on the on-line store and the funding from our processor. Therefore, we don't have traditional customer receivables but have included our daily processor deposits from the 1st to the 5th of the following month as receivables

As of July 31, 2022

From	Amount	Due Date
Processor A	213,890.47	8/1/2022
Processor A	60,090.48	8/2/2022
Processor A	65,799.59	8/3/2022
Processor A	68,128.75	8/4/2022
Processor A	59,763.17	
467,672.46		